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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

Supervisor ADH

Inspection Report
Minerals Regulatory Program

Report Date: March 21, 2005

Mine Name: Deremo/Peterson

Operator or Permittee Name:

Umetco Minerals

Permittee Mailing Address:

2754 Compass Dr., Ste. 280, Grand Junction, CO
81506-8788

Permit number: M/037/025

Inspection Date: March 9, 2005

Inspector(s): Paul Baker

Other Participants: Frank Barnett and Tony Bates
representing Umetco

Permit Status: Reclamation

Current Acreages:

Total Permitted (Bonded): 6 acres

Total Disturbed: About 3.5 acres

Weather: Mostly clear, 40-50's, some
snow on north-facing slopes

Inspection Start Time: 2:00 PM

Inspection End Time: 3:30 PM

Site location/Area Inspected (i.e. Pit #):

Waste pile, ore pad, and one vent hole
site

Surface Ownership: Fee

Mineral Ownership: Fee

Mineral Mined: Uranium/Vanadium

Type of Mine: Underground

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Date: March 9, 2005; Report Date: March 21, 2005

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M/037/025

Purpose of Inspection:

The operator is working to be released from the contract with the Board and to submit a surety bond. The reclamation contract the operator has submitted to the Division only includes the waste pile, and I wanted to see if other parts of the disturbed area were ready to be released.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

The operator has proposed a bond of \$1600 to cover revegetation costs for the waste pile. Based on this inspection, I will recommend that the operator exclude portions of the waste pile from revegetation bonding but include the ore pad area.

13. Revegetation

According to Mr. Barnett and Mr. Bates, the ore pad area was essentially a rock outcrop prior to mining, but soil was placed over the area and it was seeded when it was reclaimed. This area is shown in Photos 1 and 2. There is some vegetation, but it is sparse. There are also some places where the rock has become exposed.

While the ore pad may have been a rock outcrop with little vegetation, the plan does not contain a variance from revegetation requirements for this area. A variance may be justified, but until the operator applies for this variance and the Division approves it, the Division needs to require revegetation of this area.

Portions of the waste pile, such as the north side, are adequately vegetated and have been this way since I first visited the site in 2002. Other parts of the waste pile have little vegetation but were seeded last fall. We found a lot of grass seedlings in these areas, but they were still very small except on the east side. Seedlings on the east side of the pile looked like they may have germinated last fall.

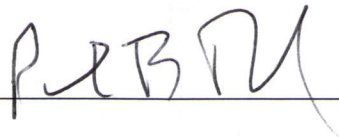
It appears there is plenty of subsurface moisture, but the upper inch of the soil was nearly dry. If the seedling roots can get into the moisture a few inches below the surface, they are likely to survive.

GPS data:

I took GPS data around the ore pile and the portion of the waste rock pile where vegetation has not been adequately established. A copy of the map I created from this data is attached to this report. The total area where vegetation does not yet meet release criteria is 2.89 acres.

The majority of this inspection was conducted March 9, 2005, but the GPS data was gathered March 10, 2005.

Inspector's Signature



Date: March 21, 2005

PBB:jb

Enclosures: Photo attachment, GPS map

cc: Rahe Junge, Umetco

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ATTACHMENT

Photographs

M/037/025, Deremo/Peterson Mine, Umetco Minerals

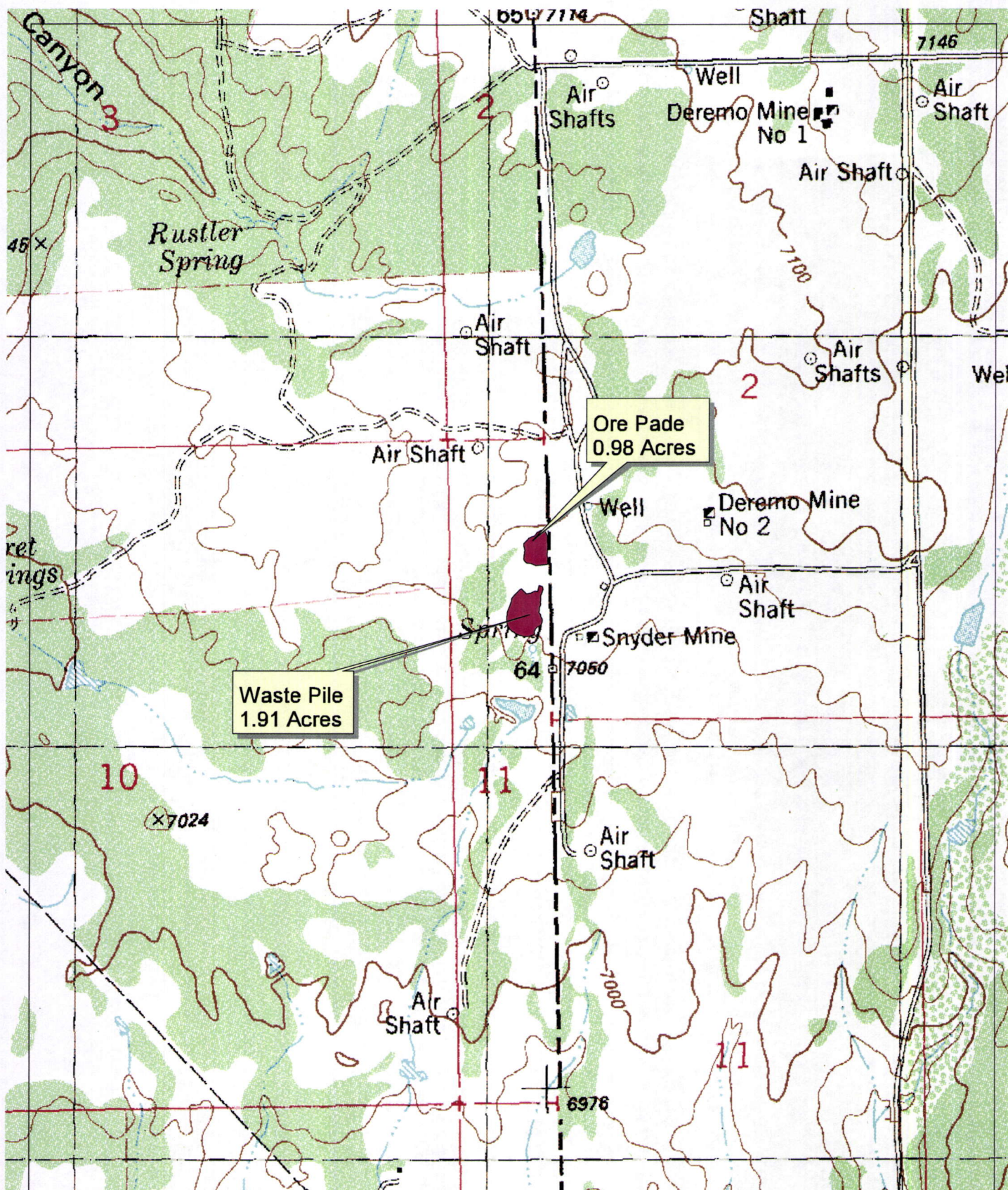
Inspection Dated: March 9, 2005; Report Dated: March 21, 2005



Photo 1. A view of the ore pad looking northeast toward an adjacent grain field. This photo show some rock outcrop that has become exposed (lower right extending up and left to near the center).



Photo 2. Another view of the ore pad looking toward the waste pile (the area in the background with snow).



Dept. of Natural Resources
Division of Oil, Gas & Mining
Mineral Mines Program

300 0 300 600 Feet



Scale 1:4000 (verify scale)
Contour Interval: 20 feet



Mine Number: M/037/025
Mine Name: Deremo/Peterson
Township 33 S Range 26 E Section 11 SLBM
Piute Knoll Quad

Drafted by PBB

March 10, 2005